

Decision No. 51426**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of PACIFIC GAS AND ELECTRIC COMPANY for an order of the Commission authorizing applicant to increase its present rates and charges for natural gas service in the manner and to the extent herein set forth.

Application No. 36635

OPINION AND ORDER DENYING REHEARING

California Manufacturers Association has filed its petition for rehearing respecting Decision No. 51360, rendered herein on the 19th day of April, 1955, prescribing certain off-set rates to meet the additional charge which applicant will incur as a result of higher rates for natural gas charged to it by El Paso Natural Gas Company.

Petitioner assails said decision on the ground that it is unlawful as applied to the firm industrial and interruptible industrial customers of applicant whom petitioner represents.

We have carefully considered said petition for rehearing and find no merit therein because of the reasons which we, hereafter, will state.

The decision herein is interim and provisional in nature and provides for refund if the Federal Power Commission revises downward the increased rates charged applicant by El Paso Natural Gas Company. The assailed rates are not permanent rates.

The insinuation by petitioner that the Commission prescribed increased rates based solely upon cost of service is incorrect. The Commission had in mind and gave consideration to all the permissible

elements of rate-fixing when it prescribed the rates herein. We must remind petitioner that this Commission is not bound to employ any single formula or combination of formulas in determining and prescribing rates. (Federal Power Commission vs. Hope Natural Gas Company, 320 U.S. 591, 602, 88 L. ed. 333, 344; Federal Power Commission vs. Natural Gas Pipeline Company, 315 U.S. 575, 586, 86 L. ed. 1037, 1049.)

The point made by petitioner that, in a prior proceeding involving the applicant, the Commission employed a different method than it did in the instant case is immaterial, if true. The Commission is free to reconsider and reexamine its past action in a prior proceeding or even in the same proceeding. (Wilbur vs. United States, etc., 281 U.S. 206, 216-217, 74 L. ed. 809, 815-816; Georgia Public Service Commission vs. United States, 283 U.S. 765, 774-775, 75 L. ed. 1397, 1405-1406.)

The treatment accorded to these interruptible customers permits a degree of latitude to individual initiative and enterprise within the limits and bounds of regulation. Any increase of these interruptible rates must be submitted to the Commission and authorized by it before becoming effective. Petitioner's interpretation of the decision on this point is wholly erroneous. The Commission has not abdicated in any way its regulatory authority. It must be presumed that the Commission will act lawfully in considering and passing upon any increased rate proposal which the applicant will file with the Commission involving any of its interruptible customers. Petitioner could not now know whether such action of the Commission would prejudice any of such interruptible customers or other customers of applicant. The interruptible service involved herein specially and peculiarly lends itself to the type of treatment which the Commission

has accorded it because such service is competitive with other fuels.

For the foregoing reasons, IT IS ORDERED that the petition for rehearing, herein, be and the same is hereby denied.

Dated, San Francisco, California, this 6<sup>th</sup> day of May, 1955.

John E. Mitchell  
President  
Raul F. Hernandez  
Manuel D. Lopez  
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Commissioners